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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34786]

Sioux Valley Regional Railroad Authority and D&I Railroad Company—Trackage Rights Exemption—BNSF Railway Company

BNSF Railway Company (BNSF) has agreed to grant 136.70 miles of limited overhead trackage rights to Sioux Valley Regional Railroad Authority (SVRRA) and D&I Railroad Company (D&I): (1) on the Canton subdivision in Canton, SD, between milepost (MP) 49.40 and MP 50.01; (2) on the Mitchell subdivision between Canton, SD, at MP 294.80, and Mitchell, SD, at MP 373.58; and (3) on the Aberdeen subdivision between Mitchell, SD, at MP 649.69, and Wolsey, SD, at MP 707.00 (MP 707.00 is located north of the diamond crossing of the Dakota, Minnesota & Eastern Railroad Corporation (DM&E) at Wolsey). These trackage rights apply only to the movement of aggregates (STCC series 14219, 14412, 14413, and 14919) moving in cars in SVRRA's or D&I's account, originating at Hawarden, IA, interchanged to DM&E at Wolsey, SD, and terminating at DM&E-served destinations in South Dakota (provided, however, that DM&E may transport such aggregates beyond South Dakota where necessary for DM&E's operations). The agreement entered into by BNSF, on the one hand, and, on the other hand, SVRRA (a political subdivision of the State of South Dakota) and D&I (a sublessee/contract operator for SVRRA) provides that SVRRA can utilize the trackage

rights with another sublessee/contract operator, subject to certain restrictions. The agreement further provides that, subject to certain restrictions, the trackage rights may be assigned to any lessee of the State of South Dakota for the line known as the Canton-Elk Point Corridor or to a party that acquires the Canton-Elk Point Corridor.

The trackage rights granted by BNSF were scheduled to become effective on or after December 6, 2005. The purpose of the trackage rights is to allow SVRRA/D&I to move certain commodities pursuant to the trackage rights.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in Norfolk and Western Ry. Co.—Trackage Rights—BN, 354 I.C.C. 605, 610-15 (1978), as modified in Mendocino Coast Ry., Inc.—Lease and Operate, 360 I.C.C. 653, 664 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If it contains false or misleading information, the exemption is void <u>ab initio</u>. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34786, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on SVRRA's and D&I's representative: Edward J. Krug, KRUG LAW FIRM, PLC, 401 First Street, SE, P.O. Box 186, Cedar Rapids, IA 52406.

Board decisions and notices are available on its website at

"WWW.STB.DOT.GOV."

Decided: December 9, 2005.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary